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**VIA ELECTRONIC PORTAL**

Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

**RE: Modifications to the Ultra Bond Futures Market Maker Program  
CBOT Submission No. 24-567**

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the Ultra Bond Futures Market Maker Program ("Program"). The modifications to the Program will become effective on February 1, 2025.

Exhibit 1 sets forth the terms of this Program. Modifications appear below, with additions underscored and deletions ~~overstruck~~.

CBOT reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CBOT staff identified the following Core Principles as potentially being impacted: Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Compliance with Rules, Availability of General Information, and Recordkeeping.

The Program does not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange's market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' obligations to ensure proper distribution of earned incentives. The incentives in the Program do not impact the Exchange's order execution. Participants in the Program will be selected by Exchange staff using criteria as further stated in Exhibit 1. Chapter 4 of the CBOT rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with the Exchange in which each participant will expressly agree to comply with and be subject to, applicable regulations and CBOT rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

CBOT certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact Rachel Johnson at 312-466-4393 or via e-mail at [Rachel.Johnson@cmegroup.com](mailto:Rachel.Johnson@cmegroup.com).

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## Ultra Bond Futures Market Maker Program

### Program Purpose

The purpose of the Program is to incent market makers to enhance liquidity in the product listed below. A more liquid contract benefits all participants in the market.

### Product Scope

Ultra U.S. Treasury Bond Futures ("UBE") traded on Globex® ("Product").

### Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants must be CBOT members. Participants are not eligible to participate in other programs that include the Product. New participants are required to submit a Bid Sheet to the Exchange which is used to determine eligibility. Exchange staff will use a variety of factors in determining whether or not a prospective market maker is selected to participate in the Program, including past performance in the Product and similar contracts, the ability to commit to and maintain at least the required quoting obligations, and the ability to meet certain average daily volume requirements in the Product. Notwithstanding the foregoing, the Exchange may, from time to time, add to or subtract from the factors listed above as it deems necessary.

### Program Term

Start date is January 10, 2010. End date is ~~January 31, 2025~~ January 31, 2026, or the date on which the Exchange determines to modify, extend, or terminate the Program. Participants will be given notice of any changes to the Program Term.

### Hours

RTH (7:00AM – 4:00PM CT).

### Obligations

~~Quoting Requirements Minimum Quoting Obligations:~~ In order to be eligible to receive incentives, participants must quote ~~continuous two-sided markets in the Product at maximum widths during a specified percentage of time-in-market, in accordance with the baseline quoting obligations listed in the table below. Notwithstanding the foregoing, the Exchange may vary the baseline quoting obligations as they deem necessary based on ongoing evaluations of the Program. in the Product during at least sixty-five percent (65%) of the time from 7:00AM – 4:00PM Chicago Time, continuous two-sided markets for the front month outright contract in the Product in accordance with the table below.~~

Tier	Width (32nds)	Width (Minimum Price Increment "MPI")	Size (2-Sided Contracts)	Time-in-Market	Time Period (CT)
Tier 1	3	3	40 <del>20</del>	65%	7:00AM – 4:00PM
Tier 2	2	2	20 <del>30</del>	65%	7:00AM – 4:00PM
Tier 3	2	2	30		

**Extreme Events Clause:** If 10-Year CME Group Volatility Index (CVOL) is 170 or greater for at least three (3) days in a given calendar month, the obligations below may be implemented.

(i) Width: Tier 1 - Increased by 2/32nds (2 MPIs), Tiers 2 and 3 - Increased by 1/32<sup>nd</sup> (1 MPI)

If 10-Year CVOL is 230 or greater on any day in a given calendar month, the Exchange may reduce the time-in-market obligations across all both Tiers. The time-in-market reduction is subject to a floor of 20%.

Notwithstanding the foregoing, the Exchange may further reduce the bid/ask spreads, sizes, or time-in-market obligations based on ongoing evaluations of market conditions and volatility. Participants will be given notice that the Extreme Events Clause has taken effect.

~~**Holiday Quoting Schedule:** There will be no quoting obligations on the dates listed below. The Holiday Quoting Schedule may be adjusted by the Exchange. Participants will be given notice of any adjustments to the Holiday Quoting Schedule. There will be no quoting obligations on certain dates designated by the Exchange. Participants will be given notice of the Holiday Quoting Schedule.~~

Holiday	Date
Presidents' Day	2/19/2024
Good Friday	3/29/2024
Memorial Day	5/27/2024
Juneteenth	6/19/2024
Independence Day	7/4/2024
Labor Day	9/2/2024
Columbus Day	10/14/2024
Veterans Day	11/11/2024
Thanksgiving	11/28/2024
Post-Thanksgiving	11/29/2024
Christmas	12/25/2024
New Year's	1/1/2025
Birthday of Dr. Martin Luther King, Jr.	1/20/2025

## **Incentives**

### **Tier 1**

~~**Fee Discounts:** Upon meeting all Program the Minimum Quoting Obligations, as determined by the Exchange, participants will be eligible to receive fee discounts of \$0.06~~ \$0.02 for all volume traded in the Product on Globex®.

## Tier 2

*Fee Discounts:* Upon meeting ~~all Program~~ the Minimum Quoting Obligations, as determined by the Exchange, participants will ~~be eligible to receive a fee discounts of \$0.13~~ \$0.10 for all volume traded in the Product on Globex®.

*Fee Credits:* Upon meeting ~~all Program~~ the Minimum Quoting Obligations, as determined by the Exchange, participants will ~~be eligible to receive a \$0.15~~ \$0.12 fee credit per contract traded in the Product subject to a monthly cap of \$20,000.

## Tier 3

~~*Fee Discounts:* Upon meeting all Program obligations, as determined by the Exchange, participants will be eligible to receive a fee discount of \$0.13 for all volume traded in the Product on Globex®.~~

~~*Fee Credits:* Upon meeting all Program obligations, as determined by the Exchange, participants will be eligible to receive a \$0.15 fee credit per contract traded in the Product subject to a monthly cap of \$50,000.~~

## **Monitoring and Termination of Status**

The Exchange shall retain the right to revoke participant status if it concludes from review that a participant no longer meets the eligibility requirements or fails to meet the obligations of the Program.

If the Exchange determines that a participant has not met its quoting obligations during any two (2) calendar months over the ~~course~~ proposed duration of the Program but is within twenty percent (20%) of the time-in-market obligations, the participant will be eligible to receive the incentives for each applicable month.

Excluding the aforementioned relaxed time-in-market leniency, if the Exchange determines that a participant has not met its quoting obligations during any one (1) ~~additional~~ calendar month, the participant will be eligible to receive incentives for that applicable month. Participants must meet quoting obligations for all subsequent months in order to continue to receive the incentives.

Upon utilizing the ~~exceptions~~ leniencies set forth above, participants that fail to meet quoting obligations in any additional month may be removed from the Program.